

Foreign manpower: Making the global talent approach work for Singapore



Helping foreigners feel welcome here is an important part of the equation that has perhaps received less attention than it should, says the writer. While it is necessary to regulate the number of foreigners here and to provide opportunities and assurance for Singaporeans, the contributions of foreigners – whether EP, S Pass or work permit holders – should not go unappreciated. ST PHOTO: KUA CHEE SIONG

Creating opportunities for Singaporeans, boosting their job and social protection, and making foreigners feel welcome will go towards making Singapore a successful global city

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For *The Straits Times*

Much has been said in Parliament and the media over the past week about foreign competition in the job market. Two things are clear from this important debate.

First, Singapore must continue to welcome global talent if it is to remain a successful global city that creates good opportunities for its people. Second, a significant number of Singaporeans continue to feel deep anxiety about foreign competition for jobs. The upshot is that there is a need to find effective ways to reassure citizens and ensure that the global talent approach works well for Singapore now and into the future.

As many recognise, remaining open to global talent is necessary for Singapore to stay attractive to businesses and foreign investment, which in turn provides good jobs for Singaporeans. Regardless of the capabilities of the local workforce, there will always be shortfalls in manpower and skills that must be plugged by the foreign workforce.

Multinationals also value being able to choose among the best talent worldwide for key roles. The breadth and depth of economic activities made possible by an open economy give Singaporeans more opportunities in aggregate.

But this macro perspective, as Chua Mui Hoong pointed out

(“The most worrisome fault line in Singapore”, *ST* Sept 17), is not enough to assure Singaporeans whose lived reality is competition with foreigners for jobs and promotions.

Rightly or wrongly, not all Employment Pass (EP) holders are clearly better qualified than locals for the job; Singaporeans have complained of foreign bosses and recruiters favouring their compatriots over locals.

The Government has acknowledged citizens’ angst. At the National Day Rally, Prime Minister Lee Hsien Loong said that anti-discrimination laws would be introduced to give the national fair employment watchdog, the Tripartite Alliance for Fair and Progressive Employment Practices (Tafep), more teeth to act against errant employers.

This is a significant step in affirming the Government’s resolve to address unfair employment practices, but it is not a panacea. Discrimination is often hard to establish, as assessing job suitability is inherently subjective.

More importantly, the Government has been tightening the inflow of EP holders by raising the minimum salary requirements – twice last year – with a higher bar for those in the financial services sector.

The Progress Singapore Party has suggested imposing an even higher qualifying salary, as well as a levy, for EP holders. Some have mooted the idea of a points-based EP system that would allow

consideration of a broader set of factors, including industry and firm characteristics (such as the availability of locals with relevant skills, proportion of foreign nationals) and worker characteristics (such as specific skills and work experience in Singapore).

A points-based system would enable greater selectivity of foreigners to complement the local workforce, but could also make manpower planning more challenging for firms, depending on how transparent and how complex the rules are.

While much of the discussion has rightly been on how many and who to let into Singapore, I would like to suggest there are three related dimensions to Singapore’s talent approach that also merit attention.

These are: creating opportunities for Singaporeans to progress in their careers; strengthening job and social protection for citizens; and making foreigners here feel welcome. Addressing these will give Singapore the best chance of making the global talent strategy work for all.

CREATING OPPORTUNITIES FOR CAREER PROGRESSION

Singapore has invested considerably in equipping local workers with skills in order to compete for good jobs. Intensifying global competition, whether from foreigners based in Singapore or abroad, has given this added impetus.

Beyond skills, it is important that companies invest in Singaporeans and provide opportunities for career development. The SkillsFuture Leadership Development Initiative supports

employers in developing or enhancing in-house leadership programmes, such as overseas assignments and cross-functional rotations, to expand the pipeline of Singaporean talent who are ready for corporate leadership roles. The Monetary Authority of Singapore, which has been proactive in supporting financial institutions that send Singaporeans abroad to gain international experience, announced enhancements to its talent development schemes earlier this month.

It is critical to find ways to scale up such efforts across sectors and firms, such as giving the larger employers a stronger nudge, so that Singaporeans feel they are being given fair opportunities at career development and progression.

STRENGTHENING JOB AND SOCIAL PROTECTION

Active enforcement against nationality discrimination at the workplace, backed up by the new legislation, is needed to provide baseline assurance for locals. Besides doing everything possible to help displaced workers regain employment, the Government may require new tools to help workers cope with job and income loss arising from economic volatility and business restructuring. These could include an unemployment insurance or unemployment savings scheme.

To fundamentally address the financial vulnerability many Singaporeans feel, particularly in a highly competitive, high-cost city, may require something beyond the current paradigm. A recent commentary by Nathan Gardels and Nicolas Berggruen (“Renovating democracy and the

China challenge”, *ST* Sept 15) mooted the idea of “universal basic capital” – enhancing the assets of the less well-off, given that capital income is growing in relative importance to labour income in advanced economies. While Singapore practises this through significant public housing subsidies, housing assets are less easily monetised than financial assets.

The issue with distributing financial assets is that if some citizens dispose of their allotted assets for immediate consumption and fall into financial difficulty later, moral hazard arises if they are subsequently bailed out.

A pragmatic alternative is a social dividend, which provides a stream of income to each citizen based on the collective capital of the nation, such as investment returns on the Government’s financial reserves.

Notwithstanding the ad hoc sharing of budget surpluses with citizens from time to time, a social dividend that is paid out regularly would give Singaporeans greater peace of mind. The fiscal cost of such a dividend must be weighed against the financial assurance it would provide, which could shore up public support for policies that keep Singapore open to trade and talent.

MAKING FOREIGNERS FEEL WELCOME

Helping foreigners feel welcome is an important part of the equation that has perhaps received less attention than it should. While it is necessary to regulate the number of foreigners here and to provide opportunities and assurance for Singaporeans, the contributions of foreigners – whether EP, S Pass or work permit holders – should not

go unappreciated.

The Covid-19 pandemic has proved particularly challenging for expatriates, some of whom have been away from family members for a year or longer. Many are tiring of safe distancing rules, and may look with envy at the relative freedom enjoyed in their countries of origin.

These pains will be felt until Covid-19 becomes fully endemic, but there is a good chance Singapore will retain its attractiveness to global talent in the long term, provided Singaporeans continue to welcome foreigners to our shores. In the meantime, public officers overseeing entry permits and other administrative procedures should be alert to the difficulties faced by expatriates, and exercise flexibility where possible to address legitimate needs.

While major social benefits are reserved for citizens in most countries, Singapore also applies differential pricing by residency status to a wide range of public services and amenities. This should not be taken too far, so as not to come across as excessively calculating in regard to work pass holders, who also contribute to tax revenue after all.

Also important are efforts at integrating foreigners in the community. When restrictions on social gatherings are eventually relaxed, there is much potential for locals and foreigners to bond through participation in sports and volunteerism, as well as nature, food and cultural appreciation activities.

Beyond one-off bonding activities, those who are new to Singapore could be invited to join interest groups with a mix of locals and foreigners who meet regularly.

Expatriates come and go, but as far as possible, we would like those departing to leave with fond memories of Singapore and Singaporeans. They would then form part of Singapore’s global network of “family, friends and fans”, serving as informal ambassadors for Singapore overseas. This could in turn open doors for Singapore companies and citizens venturing abroad, or help to attract fresh investments and talent to Singapore.

In sum, keeping Singapore open requires careful consideration of policy levers to calibrate the number and profile of skilled foreigners entering Singapore.

It also requires that Singaporeans be given assurance of fair employment and career development opportunities, along with adequate job and social protection, so that all can feel secure of their place in the nation.

Finally, it is important to make foreigners here feel welcome and appreciated, and to facilitate their integration into the community. Success in these endeavours will enable locals and foreigners to thrive collectively in a gracious and welcoming global city.

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